

January 28, 2005

Mr. Mike Gullledge  
The Billings Gazette  
P.O. Box 36300  
Billings, MT 59107-6300

**Re: Advertisements for Tax Free Cigarettes or Cigarettes Not On the Tobacco Product Directory.**

Dear Mr. Gullledge:

We write to request your assistance in stopping the illegal sales of tobacco products over the Internet or via telephone by means of advertisements placed in your publications.

With the passage of I-149, which increased tobacco taxes in Montana to \$1.70 per pack of cigarettes, we have seen an increase in the number of advertisements for "tax-free" or "duty-free" cigarettes and cigarettes that cannot be sold in Montana because they do not have affixed the appropriate tax insignia and are not listed on the Attorney General's Directory of Tobacco Products Approved for Sale in Montana.

These advertisements are misleading and invite illegal sales. It is a misdemeanor pursuant to Mont. Code Ann. § 16-11-133 to sell, use, or consume a pack of cigarettes on which the Montana tobacco tax has not been paid. It is a misdemeanor pursuant to Mont. Code Ann. § 16-11-509(5)(b) to sell cigarettes that are not listed on the Attorney General's Directory of Tobacco Products Approved for Sale in Montana.

Since these sales are illegal, The Billings Gazette should not allow advertisements for them to be run in your publications unless and until a seller can prove that it is assuring payment of all applicable taxes and not selling tobacco products that cannot be sold in this state. We therefore request that The Billings Gazette and its affiliated companies take appropriate steps to ensure that your publications are not used to facilitate violations of state laws.

We appreciate your assistance in this matter. We look forward to discussing these issues with you and finding out what steps The Billings Gazette will take to address this serious problem.

Sincerely,

Mike McGrath  
Attorney General

Dan Bucks, Director  
Department of Revenue